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# Agriculture and Industry

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## Agriculture and Industry

On February 10 the Des Moines *Register* carried a short editorial suggesting the desirability of an exchange of American and Russian farm delegations. Soviet leader Nikita Khrushchev had complained of lagging Russian farm production and had urged Russian farmers to adopt American methods in order to increase feed-livestock output. The *Register* invited Khrushchev to send Russian farmers to Iowa "to get the lowdown on raising high quality cattle, hogs, sheep and chickens." None of the Iowa farmer's "secrets" would be withheld, the paper promised.

We ask nothing in return. We figure that more knowledge about the means to a good life in Russia can only benefit the world and us. It might even shake the Soviet leaders in their contention that the United States wants war; it might even persuade them that there is a happier future in developing a high level of living than in this paralyzing race for more and more armaments.

The *Register* had little hope that anything would come of its suggestions, but a short time later the official Soviet farm publication expressed a readiness to send a delegation to "Aiova." Formal invitations were soon extended and accepted by the two governments with the result that the



two countries exchanged 12-man delegations in July. Among the Americans who spent a month inspecting Russian agriculture were Lauren Soth, editor of the Des Moines *Register's* editorial pages, Herb Plambeck, farm director of stations WHO and WHO-TV in Des Moines, and four Iowa farmers: Charles Hearst of Cedar Falls, Herbert Pike of Whiting, Ralph Olsen of Ellsworth, and Marion Steddom of Polk City.

Meanwhile, on July 17, the Russian delegation, headed by Soviet Deputy Minister of Agriculture V. V. Matskevich, arrived at the Des Moines Municipal Airport to begin a 12-day tour of Iowa. Secretary of Agriculture Clyde Spry and Dean Floyd Andre of Iowa State College, together with 2,600 spectators, welcomed the visitors.

Iowa was the center of the nation's attention during the ensuing days. Reporters, photographers, and cameramen from the country's big newspapers and news magazines trailed the visitors wherever they went, reporting everything they did, whether it was attending lectures by farm experts at Ames or services at the First Presbyterian Church in Jefferson, stopping at a dairy bar outside Oskaloosa, joining in the singing of the Iowa Corn Song at a Chamber of Commerce meeting in Cedar Rapids, or making scheduled or unscheduled stops at innumerable farms throughout the state to inquire first-hand about farm production methods.



Everywhere the Russians were treated in a courteous, friendly manner, while in turn the visitors impressed Iowans both by their amiability and by their desire to learn all they could during their visit in the state. Although nobody expected the Russians to be won over to the free enterprise system, there was no doubt that they were greatly impressed by much of what they saw. At a time when Western and Soviet leaders were meeting at the "summit" in Geneva it was generally felt that the greatest importance of the exchange of farm delegations was the opportunity it gave for contact between the peoples of America and Russia. While the majority of Iowa newspapers felt that the visits could be a means of creating greater understanding between the two countries, some were frankly doubtful as to the real good that would come out of them. The fact that the Russian delegation, unlike the American, was composed, not of actual farmers, but of government officials caused papers like the *Mason City Globe-Gazette* and the *Sioux City Journal* to declare that not the common people of Russia but their bosses in the Kremlin were represented.

Nevertheless, this initial exchange between the two countries did seem to have the effect of lowering barriers somewhat as in succeeding months an increasing number of travelers went through the Iron Curtain. As a result of an invitation extended by Matskevich, Roswell "Bob" Garst, far-



mer and hybrid seed corn producer of Coon Rapids, visited Russia, Rumania, and Hungary in the fall. Late in the year he entertained a group of Russian farm technicians and made a start toward improving trade between the two countries by selling Russia some \$100,000 worth of hybrid seed corn.

The year was a difficult one for the state's farmers. The cash farm income was ten per cent below what it was in 1954, and the lowest since 1949. One cause of the farmer's troubles was the extremely hot and dry weather of July and August which ruined prospects for bumper crops. As a result Iowa had to yield to Illinois as the leading corn producer. The nation's corn crop, however, was a big one, which contributed to lower corn prices. Iowa farmers who had to sell their corn on the open market suffered, but those who were eligible to receive government help fared considerably better by sealing their corn in government storage and obtaining crop loans.

The main reason for the decline in Iowa farm income, however, was the sharp drop in livestock prices, especially those for hogs which furnish about 40 per cent of Iowa's farm income. In February hog prices were lower than they had been since January, 1950. Record farrowings in the spring caused farm economists to warn that unless farmers used unusual judgment in fattening and marketing their hogs the fall and winter prices



would be even lower. These predictions were more than borne out as by December prices on the hog markets dropped to their lowest level since December, 1941. Cattle prices also fell, although not so sharply.

President Howard Hill of the Iowa Farm Bureau Federation, a man not given to making reckless statements, called the price situation "terrible," and declared that "many farmers cannot remain in business at present levels." An effort was made to relieve the problem by a campaign to increase meat consumption. Vice-President J. M. Foster of John Morrell & Company declared that the oversupply of pork could be eliminated if annual consumption was increased by about six pounds per person. Washington County, Iowa's leading hog-producer, instituted "Operation Pork Lift" in December when various farm and business groups cooperated in a special drive to sell more pork. The idea soon caught on throughout the state.

Most of the proposals to aid the distressed farmer contemplated action by the federal government. With a presidential election ahead in 1956 it was only natural, too, that the discussions often took on a political flavor. In October, at the invitation of Governor Leo Hoegh, Governors George Craig of Indiana, Joe Foss of South Dakota, Fred Hall of Kansas, and Victor Anderson of Nebraska, all Republicans, met at Des Moines and



issued a statement calling upon the government to take "short-term emergency measures to restore to the farmer his fair share of the national income." Such actions were termed "politically necessary" if the GOP was not to lose votes in the farm areas in 1956. Early in December, Governor Hoegh talked with many government officials, including Secretary of Agriculture Ezra Benson, Secretary of the Treasury George Humphrey, and Vice-President Richard Nixon, urging the spending of from \$500,000,000 to a billion dollars for pork purchases by the government. He confessed that he made little headway.

About the same time Senator Bourke Hickenlooper proposed that the Agriculture Department spend \$150,000,000 in a sow-purchasing program in order to reduce the size of hog production in 1956 — the same kind of action Henry A. Wallace had taken in 1933 when he was the Democratic Secretary of Agriculture. Secretary Benson, however, rejected this plan. He declared, "Our hog program is working fine. . . . Farmers must adjust their breeding program to market demand."

Shortly after Hoegh's Conference of Governors, Democratic officials from twelve Midwestern states gathered at Des Moines for a party conference at which the farm question received much attention. A resolution was adopted calling for a federal hog-buying program at a price of "at least



20 cents a pound." Rigid 90 per cent price supports were called for, replacing existing flexible supports, and the extension of such supports to livestock.

The battle lines over farm supports were not drawn along strictly party lines. Thus, Republican Congressmen Charles R. Hoeven, H. R. Gross, Ben F. Jensen, James I. Dolliver, and Henry O. Talle continued to support efforts in behalf of rigid supports, and former Republican Governor Dan Turner of Corning criticized Secretary Benson as sharply as any Democrat. Turner called for much greater federal aid for the farmer, demanding price supports at 100 per cent of parity. "The farmer should not be turned out into the cold night of the law of supply and demand," he declared, observing that "nobody else is operating under that law."

Out of a series of farm protest meetings organized by Turner, Jay Loghry of Corning, Duane Orton of Atlantic, and others, including former Democratic Governor Nels G. Kraschel, developed a new group, the National Farm Organization, formally established in October with headquarters at Corning. By December it claimed 55,000 dues-paying members, principally from southwest Iowa and northwest Missouri. Among its goals were price supports at 100 per cent of parity and a floor under hogs at \$20 a hundred weight and \$30 under cattle. In December an-



other new farm organization, the G.I. Farmers of America, was formed at Webster City in north central Iowa.

The Farm Bureau Federation, with nearly 150,000 members in Iowa, although continuing to support Benson's flexible price support program, recognized the need for a new approach to the farm question. While calling for greater efforts to open up new markets for farm products, the Federation placed its greatest emphasis on the soil bank as a means of reducing surpluses. Under this plan the government would rent land from farmers. The land would be planted in soil-conserving crops and could not be used for harvesting or grazing during the rental period. The proposal gained widespread support, although it was recognized that it did not provide the immediate relief many farmers were demanding.

Early in the year Governor Leo Elthon, in his "state of the state" message, struck a note of cautious warning that Iowa should not forget "that agriculture is basic in our state." Although not opposing industrial expansion he represented an important segment of the population which felt that industry should not be permitted to usurp agriculture as the state's primary economic interest. On the other hand, Governor Hoegh, in his inaugural address, declared that "Iowa must leave nothing undone to attract industry within its borders. With what we have to offer Iowa can



double its new industries within the next four years."

From the activities during 1955 this prediction might be judged almost an understatement. Forty new industries moved into the state, nine more than in 1954, while 32 existing Iowa manufacturers substantially expanded their plants. These moves created an estimated 5,075 new jobs and added \$17,762,500 to the annual industrial pay roll. Dun and Bradstreet reported 748 new business incorporations in the state during 1955, a new record and 38.5 per cent over the 1954 figure. At the end of the year, the Iowa Development Commission, whose annual appropriation was boosted by the legislature from \$100,000 to \$151,520, announced that it was paying a New York research firm \$30,000 to prepare a comprehensive study of ways in which more industry could be attracted to Iowa.

On every hand indications were that 1955 was a good year for industry, offsetting the losses suffered in agriculture. Construction contracts awarded during the year totaled a record-breaking \$271,000,000, some 43 per cent higher than in 1954. Residential construction increased by 51 per cent, business and commercial contracts were up 44 per cent, while institutional and public works contracts increased 38 per cent. Much of the latter was due to the more than fifty million dollars in highway contracts let by the State High-



way Commission, the greatest amount ever awarded under the pay-as-you-go road financing system. So great was the demand for cement that a shortage of this material developed delaying some road construction. Iowa's five cement producers all were engaged in expansion programs which would greatly increase their production capacity.

In April plans were announced for construction of a \$250,000,000 North American Steel Company mill seven miles south of Clinton. During the year Alcoa made a series of announcements calling for the spending of over \$50,000,000 to expand its huge plant near Davenport. The new Square D Company plant at Cedar Rapids began operations in the summer while multi-million dollar expansion programs were begun at the Allis-Chalmers and Wilson plants in the same city. Work on a new Procter and Gamble plant at Iowa City was begun late in the year. At Sioux City several new industries and expansions of established firms made up for the shutting down of the Cudahy meat-packing plant. At Marshalltown the Fisher Governor Company occupied its new \$2,000,000 office building. Iowa's electric companies invested \$29,011,172 during the year in new plants and facilities. Since 1949 they had boosted their generating capacity from 700,000 kilowatts to over 1,400,000 kilowatts. River traffic along Iowa's eastern and western borders hit



record peaks, with over 7,683,000 tons of freight moving through the locks at Davenport and Rock Island, 8.6 per cent above the 1954 figure, while on the Missouri the 414,225 tons transported represented a 40 per cent increase over 1954.

Of course the picture was not entirely a rosy one. The H. B. Glover Company of Dubuque, organized in 1856 and made famous as the setting of the musical comedy, *The Pajama Game*, was closed. When President F. E. Bissell, Sr., was asked if he wanted the last pair of pajamas to be produced, he replied, "I don't wear pajamas." In October, Union Pacific trains, which for decades had used the tracks of the North Western in Iowa, were switched to the Milwaukee Road, causing temporary unemployment among some North Western train men. A merger of the two roads, which run parallel to each other across Iowa, was rumored as possible.

Strikes halted production for varying lengths of time at the John Deere plants in Iowa, the Armstrong Rubber and the Western Tool & Stamping plants in Des Moines, and the Albertson Company in Sioux City. The most serious work stoppage was at the Maytag plants in Newton and Hampton where some 3,000 employees were idled by a nine-week strike in the fall. The dispute, which fortunately was not marked by the violence of the 1938 Maytag strike, finally was settled on November 6 when workers approved a new one-



year contract providing for an average 15-cent hourly pay raise, but no guaranteed annual wage or union shop as the strike leaders had originally asked.

But these disturbances were the exceptions. Non-agricultural employment reached a new record of 649,650 in December, with manufacturing employment being 2.8 per cent higher than in 1954. The average hourly wage rose from \$1.76 in 1954 to \$1.85 in 1955. The gross value of manufactured goods in Iowa was estimated at \$3,931,700,000, an increase of \$2,781,700,000 since 1945.

GEORGE S. MAY